

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 963 - SB 952

February 24, 2021

SUMMARY OF BILL: Requires the Tennessee Student Assistance Corporation (TSAC) to award courses taken under a dual enrollment grant (DEG) in the amount of \$500 for each of the first three courses taken. Requires TSAC to determine the DEG award for the fourth through tenth courses taken, so long as the DEG award does not exceed the cost per credit hour of courses taken at community colleges in the state university and community college system.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

**Exceeds \$4,127,900/FY21-22 and Subsequent Years/
Lottery for Education Account**

Other Fiscal Impact - Recurring funding in an amount exceeding \$4,127,900 in FY21-22 and subsequent years will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Scholarship Special Reserve Account.

Assumptions:

- The current DEG award amount is \$500 for the first two courses; \$200 for the third course; and no award is given to students taking a fourth course.
- Students will be awarded \$500 per course for the first three courses taken upon passage of the proposed legislation in FY21-22.
- Based on the information provided by TSAC, the table below shows the FY19-20 enrollment data for students who have taken a third course and reflects the proposed award amounts. In addition, it is estimated that there will be at least a 50 percent growth in enrollment for a third course for DEG students since they will be offered the full \$500 award and because of school districts now offering more early postsecondary opportunities to their students than in previous years.

	FY19-20 Fall	FY19-20 Spring	Total Courses	Current Grant	Propose d	Increase	Total Increase
1 course, 3rd time	1,451	1,943	3,394	\$200	\$500	\$300	\$1,018,200
2 courses, 2nd & 3rd course	639	1,091	1,730	\$700	\$1,000	\$300	\$519,000
2 courses, 3rd & 4th course	1,119	2,930	4,049	\$200	\$500	\$300	\$1,214,700
						Grand Total:	\$2,751,900
						50% Growth:	\$4,127,850

- The recurring increase in state expenditures from the Lottery for Education Fund is estimated to exceed \$4,127,850 (\$2,751,900 x 1.50 growth) in FY21-22 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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